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MIKE KREIDLER
STATE INSURANCE COMMISSIONER

STATE OF WASHINGTON



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OFFICE OF
INSURANCE COMMISSIONER

In the Matter of

State Farm Mutual Automobile Ins. Co.

An Authorized Disability Insurer

No. D06-328

REVISED CONSENT ORDER
IMPOSING A FINE

Findings of Fact:

1. State Farm Mutual Automobile Insurance Company is authorized to conduct insurance business in Washington State. It issues individual health insurance.
2. RCW 48.20.025(5) requires every health carrier issuing or renewing individual health benefit plans in this state during the previous calendar year to file for review by the Office of the Insurance Commissioner ("OIC") supporting documentation of its actual loss ratio for its individual health benefit plans offered or renewed in the state for the preceding calendar year. This documentation must be filed with the Commissioner by the last day of May each year following the calendar year which is the subject of the documentation. To be timely filed, the filing must be received by the OIC by the deadline. The statute became effective on March 23, 2000.
3. State Farm Mutual Automobile Insurance Company failed to timely file its documentation for calendar year 2005.

Conclusions of Law:

1. State Farm Mutual Automobile Insurance Company's failure to timely file its calendar year loss ratios for 2005 violated RCW 48.20.025(5).

Consent to Order:

State Farm Mutual Automobile Insurance Company consents to the following, in order to resolve this matter without further administrative or judicial proceedings, and the Insurance Commissioner consents to resolve this matter in consideration of State Farm Mutual Automobile Insurance Company's payment of a fine as set forth below.

1. State Farm Mutual Automobile Insurance Company consents to entry of the foregoing Findings of Fact and Conclusions of Law, and acknowledges its duty to



comply fully with the applicable laws of the State of Washington, and waives further administrative or legal challenge to the actions taken, or to be taken, by the Insurance Commissioner related to the subject matter of this order.

2. Within thirty days of entry of this Order, State Farm Mutual Automobile Insurance Company will pay to the OIC a fine in the amount of \$1,000.00 (one thousand dollars).

3. If the fine is not timely paid in full, this will constitute grounds for the suspension or revocation of the certificate of authority held by State Farm Mutual Automobile Insurance Company in the State of Washington. It will also result in a civil action being filed by the Attorney General on behalf of the Insurance Commissioner, to recover the amount of the fine.

Executed this 7th day of March, 2006.

STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY

By: Andrew P. Wieduwilt

Printed Name: Andrew P. Wieduwilt

Printed Corporate Title: Actuarial Director I

Order:

Pursuant to the foregoing Findings of Fact, Conclusions of Law, and Consent to Order, the Insurance Commissioner orders as follow

1. State Farm Mutual Automobile Insurance Company is ordered to pay, within thirty days of the entry of this Order, a fine in the amount of \$1,000.00 (one thousand dollars).

2. Failure to timely pay the fine shall constitute grounds for suspension or revocation of the certificate of registration held by State Farm Mutual Automobile Insurance Company in Washington State. It will also result in a civil action being brought by the Attorney General on behalf of the Insurance Commissioner, to collect the fine.

Executed this 12th day of March, 2006

MIKE KREIDLER
Insurance Commissioner

By: Andrea L. Philhower
Andrea Philhower
Legal Affairs Division